

**CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS
OF COMPASS BANCSHARES, INC**

Purpose

The members of the Audit Committee are appointed annually by the Board of Directors of Compass Bancshares, Inc. (the “Company”) to assist the Board in monitoring (1) the integrity of the financial statements of the Company, (2) the independent auditor’s qualifications and independence, (3) the performance of the Company’s internal audit function and independent auditors, (4) the compliance by the Company with legal and regulatory requirements and (5) the effectiveness of internal controls.

The Audit Committee shall prepare the report required by the rules of the Securities and Exchange Commission (the “Commission”) to be included in the Company’s annual proxy statement, and shall perform the duties required by law to be performed by an audit committee for a subsidiary bank of the company.

Committee Membership

The Audit Committee shall consist of no fewer than three members. The members of the Audit Committee shall meet the independence and experience requirements of the National Association of Securities Dealers, Inc. (“NASD”), Section 10A(m)(3) of the Securities Exchange Act of 1934 (the “Exchange Act”) and the rules and regulations of the Commission. At least one member of the Audit Committee shall be an “audit committee financial expert” as defined by the Commission. The Board will appoint one of the members of the Audit Committee to serve as Audit Committee Chair.

Meetings

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. The Audit Committee shall meet periodically with management, the internal auditors and the independent auditor in separate executive sessions. The Audit Committee may request any officer or employee of the Company or the Company’s outside counsel or independent auditor to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.

Two members of the Audit Committee will constitute a quorum. Any act of a majority of the members present at any meeting at which a quorum is present shall be an act of the full Audit Committee.

Members of the Audit Committee and other invited participants may participate in a meeting of the Audit Committee by means of conference call or similar communications equipment by means of which all persons participating in the meeting can hear one another.

Committee Authority and Responsibilities

The Audit Committee shall have the sole authority to appoint or replace the independent auditor. The Audit Committee shall be directly responsible for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Audit Committee.

The Audit Committee shall preapprove all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent auditor, subject to the de minimus exceptions for non-audit services described in Section 10A(I)(1)(B) of The Exchange Act which are approved by the Audit Committee prior to the completion of the audit. The Audit Committee may form and delegate authority to subcommittees consisting of one or more members where appropriate, including the authority to grant preapprovals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant preapprovals shall be presented to the full Audit Committee at its next scheduled meeting.

The Audit Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors. The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report and to any advisors employed by the Audit Committee.

The Audit Committee shall make regular reports to the Board. The Audit Committee shall review and reassess the adequacy of the charter annually and recommend any proposed changes to the board for approval.

The Audit Committee, to the extent it deems necessary or appropriate, shall:

1. Review and discuss with management the annual audited financial statement, including disclosures made in management's discussion and analysis, and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K. Discuss with the independent auditor the financial statements and the results of the audit.

2. Discuss with management and, when appropriate, the independent auditor, significant financial reporting issues and judgements made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
3. Review and discuss quarterly reports from the independent auditor on:
 - (a) All critical accounting policies and practices to be used.
 - (b) Material alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor.
 - (c) Other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
4. Discuss with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
5. Discuss with management, the Company's major risk exposures (other than credit risk exposures which are the responsibility of the Company's Credit Committee) and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
6. Discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
7. Review disclosures made by the Company's CEO and CFO during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

Oversight of the Company's Relationship with the Independent Auditor

8. Discuss with the independent auditor at least annually the auditor's internal quality-control procedures and any material issues raised by the most recent peer review. Evaluate the qualifications, performance and independence of

the independent auditor, including considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence, and taking into account the opinions of management and internal auditors.

9. Meet with the independent auditor early in the audit to discuss the planning and staffing of the audit.

Oversight of the Company's Internal Audit Function

10. Review the appointment and replacement of the senior internal auditing executive.
11. Review significant reports to management presented by the internal auditor and management's responses.
12. Review and discuss with the chief internal auditor and management the internal audit department responsibilities, plan, budget and staffing and any recommended changes in the planned scope of the internal audit.

Compliance Oversight Responsibilities

13. If applicable, obtain from the independent auditor information regarding their involvement in any investigation for the Company under Section 10A(b) of the Exchange Act.
14. Review with management, the Company's chief internal auditor and the Company's General Counsel any reports received regarding compliance by the Company, its officers, employees and agents with applicable legal requirements and the Company's Code of Conduct (which includes the code of ethics applicable to all employees).
15. Review and approve all related party transactions, as such term is defined by NASD rules.
16. Establish procedures for the receipt, retention and treatments of complaints received by the company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
17. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies.

18. Discuss with the Company's General Counsel legal matters that may have a material impact on the financial statements or the company's compliance policies.

Limitations of Audit Committee's Role

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditor.